

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 98-105-C – ORDER NO. 98-525

JULY 8, 1998

IN RE: Application of DavelTel, Inc. and Telaleasing  
Enterprises, Inc. for Authority to Transfer Certificate  
of Public Convenience and Necessity to Resell  
Intrastate Telecommunications Services, including  
the Provision of Operator Assisted Services and  
Inmate Services.

) ORDER ✓  
) GRANTING  
) EXPEDITED  
) REVIEW AND  
) APPROVING  
) TRANSFER OF  
) CERTIFICATE  
) OF PUBLIC  
) CONVENIENCE  
) AND NECESSITY

This matter comes before the Public Service Commission of South Carolina (“the Commission”) on the Application of DavelTel, Inc. (“DavelTel”) and Telaleasing Enterprises, Inc. (“Telaleasing”) (hereafter jointly referred to as the “Applicants”) and the Motion for Expedited Review of Application filed by DavelTel and Telaleasing. The Application seeks approval of the transfer of Telaleasing’s Certificate of Public Convenience and Necessity to provide intrastate telecommunications including operator assisted services and inmate services to DavelTel. The Motion for Expedited Review of Application seeks approval of the Application without the necessity of a formal hearing.

Telaleasing is an Illinois corporation which is authorized by this Commission to provide pay telephone services and resold intrastate telecommunications services, including operator assisted services, and inmate telephone services in South Carolina.

DavelTel is an Illinois corporation which is authorized by the South Carolina Secretary of State to transact business in the State of South Carolina as a foreign corporation. Both Applicants are wholly owned subsidiaries of Davel Communications Group, Inc. All stock in DavelTel and Telaleasing is owned by the parent company.

According to the Application, Davel Communications Group, Inc is in the process of realigning services offered by its subsidiaries. All PSP (formerly known as COCOT) services will continue to be provided by its Telaleasing subsidiary. All other long distance services, including direct dial, inmate and operator service operations and customers will be moved to DavelTel. Employees of Davel Communications Group, Inc. currently serve as officers for both Telaleasing and DavelTel. Therefore, no change in management of long distance, inmate, or operator service operations will take place after the transfer. Also, the requested transfer does not affect Telaleasing's pay telephone service operations. Telaleasing will continue to provide coin or coinless pay telephone service within South Carolina and will continue to hold its certificate of authority previously granted by the Commission.

By letter dated March 27, 1998, the Commission's Executive Director instructed the Applicants to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to provide notice of the Application to any interested parties and to advise interested parties of the manner and time in which to file pleadings to participate in the Docket. The Applicants filed Affidavits of Publication as proof that they had complied with the

instructions of the Executive Director. No Petitions to Intervene or letters of protest were received by the Commission with regard to the instant Application.

**MOTION FOR EXPEDITED REVIEW**

Thereafter, the Applicants filed their Motion for Expedited Review of Application. By their motion, the Applicants state that they published the Notice of Filing, that the deadline for filing Petitions to Intervene has expired, and that no comments nor Petitions to Intervene were filed with regard to the Application. The Applicants further assert that the Application seeks approval of the Commission to realign the services offered by two wholly owned subsidiaries of Davel Communications Group, Inc. As there are no Intervenors in the proceeding, the Applicants request that the Commission dispose of this matter without requiring a formal hearing and request that the Commission consider this matter upon the Application and verified testimony submitted by the Applicants.

Upon consideration of the Applicants' Motion, the Commission is of the opinion and so finds that the formal hearing in this matter should be waived and that expedited review of the application should be granted. The Commission finds that notice of the Application was properly afforded to the public and that no interested person sought to become a party to the proceeding. The Commission finds that procedural due process was afforded in this matter and further finds that the applicants make a knowing waiver of a formal hearing. Therefore, the Commission will consider the Application in the context of its regularly scheduled weekly meeting, with court reporter present, and for purposes of the expedited review, the Commission will deem the examination of the

Application and verified testimony during the course of the Commission's regularly scheduled meeting with court reporter present as a hearing on this matter.

**EXAMINATION OF THE APPLICATION AND VERIFIED TESTIMONY**

By the Application, the Applicants request approval of the transfer of Telaleasing's Certificate of Public Convenience and Necessity to provide intrastate telecommunications including operator assisted services and inmate services to DavelTel. In support of the Application, the applicants filed the verified testimony of Theodore C. Rammelkamp, Senior Vice President and General Counsel for Davel Communications Group, Inc. and its subsidiaries, including both Telaleasing and DavelTel.

In his verified testimony, Mr. Rammelkamp described the nature of the relationship between Telaleasing and DavelTel and the transfer of resale and operator services operations from Telaleasing to its sister company, DavelTel. The testimony reveals that after the transaction, all long distance and operator services will be provided by the DavelTel subsidiary. All payphone operations will remain unchanged and will continue to be provided by Telaleasing. Mr. Rammelkamp stated that the transaction would not impact the companies' management or technical operations. Further, customers will not notice any impact other than a change in the name, and the requested transfer will have no adverse effect upon rates for service or quality of service. DavelTel will either adopt or mirror the tariff of Telaleasing adopting the terms, conditions, rates and charges which are currently on file with the Commission.

Mr. Rammelkamp offers that approval of the transfer is in the public interest as realignment of the Davel Communications Group, Inc. will permit the company to better

focus its operations and expend the services offered to its customers in the future. In addition, approval of the transaction will create consistency among all the states in which Davel Communications Group, Inc. operates with regard to its subsidiary operations.

With regard to DavelTel's request for the transfer of Telaleasing's Certificate of Public Convenience and Necessity to provide resold intrastate telecommunications services including operator assisted services and inmate services, DavelTel offers that it possesses the technological, financial, and managerial resources to provide the services for which it seeks authority.

Upon review and consideration of the Application, the verified testimony of Mr. Rammelkamp, and the applicable law, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. Telaleasing is an Illinois corporation currently operating within the State of South Carolina offering COCOT (now known as PSP) service, direct dial long distance, and operator assisted service to customers throughout the state. Telaleasing was granted a Certificate of Public Convenience and Necessity to provide resold intrastate telecommunications services, including operator assisted services and inmate services. *See*, Docket No. 94-065-C, Order No. 94-664, dated July 14, 1994.

2. DavelTel is an Illinois corporation and is authorized to transact business in South Carolina by the South Carolina Secretary of State.

3. Telaleasing and DavelTel are both wholly owned subsidiaries of Davel Communications Group, Inc., and all stock in both Telaleasing and DavelTel is owned by Davel Communications Group, Inc.

4. Davel Communications Group, Inc. is in the process of realigning services offered by its subsidiaries. Under the realignment, all COCOT (PSP) services will continue to be provided by Telaleasing, and all other long distance services, including direct dial, inmate, and operator services operations will be served by DavelTel.

5. Upon approval by the Commission, Telaleasing's long distance services, including direct dial, inmate, and operator services operations will be moved to DavelTel.

6. DavelTel has the technological, financial, and managerial resources to provide the services for which it seeks authority, namely the provision of long distance services including direct dial, inmate, and operator services.

#### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission hereby determines that the transfer of Telaleasing's Certificate of Public Convenience and Necessity to provide resold intrastate telecommunications services, including direct dial services, inmate services, and operator assisted services, to DavelTel should be, and hereby is, approved.

2. The Commission adopts a rate design for DavelTel for its resale services which include only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re:

Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. DavelTel shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. DavelTel shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the DavelTel's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1997).

4. If it has not already done so by the date of issuance of this Order, DavelTel shall file its revised maximum tariff and an accompanying price list within thirty (30) days of receipt of this Order. DavelTel's revised tariff shall mirror the existing tariff of Telaleasing. Further, the revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. DavelTel shall file with the Commission surveillance reports on a calendar or fiscal year basis as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A, which is attached hereto.

6. With regard to the provision of inmate calling service for local and intraLATA calling, DavelTel shall not charge rates any greater than the rates charged by the local exchange company at the time a call is placed. For interLATA calling, DavelTel shall not charge operator charges greater than AT&T's operator charges and shall not charge usage charges that are greater than AT&T's operator station usage rates at the time the call is placed. Additionally, automated collect calls shall be completed only upon affirmative acceptance by the called party. Also, DavelTel shall not impose any subscriber surcharges on calls originating from inmate or correctional facilities.

7. For inmate calling service, call detail information submitted to the local exchange company for billing purposes must include the PSP access line telephone number as assigned to the line by the local exchange company. DavelTel shall be granted a waiver of all Commission PSP (formerly known as COCOT) guidelines which are inconsistent with the provision of inmate telephone services, including:

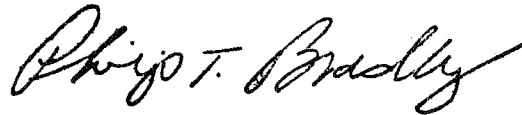
- (a) allowance of special blocking features to control fraud and harassment of members of the public by inmates;
- (b) allowing only automated collect calls;
- (c) blocking of calls to specific numbers;
- (d) allowance of certain calls free of charge;
- (e) limitation of duration of call;
- (f) prohibition of access to live operators, carrier of choice, and directory assistance;

- (g) exemption from providing access to outside emergency services, but the system should be configured to allow inmates to report emergencies to authorities within the facilities;
- (h) waiver of posting and operator disclosure requirements; and
- (i) waiver of the rule requiring local and intraLATA calls be routed to the local exchange company's operator.

Other than those guidelines specifically enumerated above for which a waiver is granted, DavelTel shall comply with all other PSP guidelines, including reporting requirements, as adopted by this Commission.

8. This Order shall remain in full force and effect until further Order of the Commission.

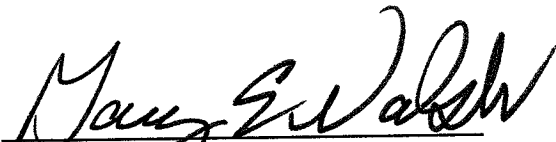
BY ORDER OF THE COMMISSION:



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Chairman

ATTEST:

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Acting Executive Director

(SEAL)

## ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS FOR INTEREXCHANGE COMPANIES AND AOS'S

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COMPANY NAME

---

FEI NO.

---

ADDRESS

---

CITY, STATE, ZIP CODE

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PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR  
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.
- \* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT  
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS  
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).

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SIGNATURE

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NAME (PLEASE TYPE OF PRINT)

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TITLE

DOCKET NO. 98-105-C - ORDER NO. 98-525  
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ATTACHMENT B

**INFORMATION OF THE AUTHORIZED UTILITY  
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL  
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission  
the name, title, address, and telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

\_\_\_\_\_  
Company Name/DBA Name

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Authorized Utility Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
This form was completed by      Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230